

ALTS (at 38) asserts that the insurance required should be lower because higher limits would create barriers to entry. MFS (at 23) objects to the amount of coverage sufficient to cover catastrophic loss of the entire wire center. MFS (at 25) justifies lower insurance requirements on the basis that LECs already retain adequate levels of insurance to cover any foreseeable claim for damages arising out of an EIS arrangement. While the intent of the Commission's plan is to introduce competition, GTE does not believe this would override prudent business practices. Interconnectors who lack sufficient financial resources would place an unreasonable risk on the LECs' general ratepayers. GTE cannot be expected to carry the burden of insurance when it has no control over the interconnector or its employees. For these reasons, interconnectors should be required to have insurance sufficient to assure coverage should the interconnector's equipment or employees cause major damage to any wire center.

ALTS would have the LECs carry the full burden of insurance requirements even though interconnectors undoubtedly have insurance for their other operations. While the opposing parties suggest that the LECs provide insurance, there is no suggestion that the interconnectors would be willing to pay the LECs for such insurance. In addition, the opposing parties seek to reduce any responsibility or liability on the part of the interconnector. It appears that these parties want it all for nothing.

TCG (at B-21) and MFS (at 24) want the LECs to allow self-insurance. ALTS gives no reason. TCG claims that not allowing self-insurance will handicap the interconnector industry in competing with the LEC and provides no public interest benefit. Without providing details, TCG also "suspects" that "less intrusive methods" could replace the review of financial data to determine capability of the interconnector of self insure. GTE believes that full justification

was given in the Direct Case and neither of these arguments is sufficient to modify its positions on self-insurance.

TCG (at B-23) seeks to have all requirements on insurance company ratings removed from the tariffs. GTE believes that this is necessary and proper. Ratings are provided to make customers aware of the reliability and financial resources of a particular company in order to protect themselves. Insurance provided by unreliable or poorly rated company could be worthless.

TCG (at B-23) objects, without elaboration, to the requirement that proof of insurance be provided prior to the interconnector occupying the space. GTE requires proof of insurance at the time the access service order is placed. This ensures that the interconnector has coverage for employees who will be in the wire center, possibly performing work, prior to occupying space. Thus, requiring proof of insurance is appropriate at the time the order is placed.

INSPECTION OF SPACE AND FACILITIES

ALTS (at 39) and TCG (at B-32) are concerned about the LEC's right to inspect the interconnector's space and facilities. TCG suggests that interconnectors should be provided with at least two weeks advance notice of inspections. GTE is willing to provide two days advance notice to the interconnector for non-emergency inspections and believes this would be reasonable. The interconnector has the right to be present during the inspection.

When inspections are GTE-initiated, interconnectors will not be charged for the initial or routine inspections. A charge would apply if frequent inspections are required by GTE due to the interconnector's violation of safety practices or service degradations to GTE's other customers. In addition, charges would apply if the interconnector requests GTE's assistance in the isolation of trouble

and/or repair of the interconnector's equipment. GTE reserves the right to inspect the interconnector's equipment without notice and without the presence of the interconnector in the case of an emergency. The purpose of these inspections would be to prevent damage to the interconnector's equipment as well as to GTE's equipment, the wire center and GTE personnel.

The right to inspect the interconnector's equipment is not intended to be abusive or harassing the interconnector. Inspections assure that the interconnector is operating in a proper and safe manner in accordance with the tariff. Such inspections are reasonable, appropriate and necessary.

Respectfully submitted,

GTE Service Corporation and its
affiliated GTE domestic telephone
operating companies

By


Gail L. Polivy

1850 M Street, N.W.

Suite 1200

Washington, D.C. 20036


(202) 463-5214

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THEIR ATTORNEY

Certificate of Service

I, Javae D. Smith, hereby certify that copies of the foregoing "Rebuttal of GTE" have been mailed by first class United States mail, postage prepaid, on this 30th day of September, 1993 to all parties of record.


Javae D. Smith